

## Message Text

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11

ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 SPC-03 AID-20 EB-11 NSC-07

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 H-03 PA-04 PRS-01 USIA-15 FEA-02

DRC-01 /182 W

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R 150915Z MAR 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 634

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS TOKYO 3485

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJECT: JAPAN'S BALANCE OF PAYMENTS IN FEB -- PROVISIONAL

PASS TREASURY AND FEDERAL RESERVE

SUMMARY: PRIMARILY AS RESULT OF HIGHER PRICE OF CRUDE  
OIL IMPORTS, A LARGE \$1.18 BIL DEFICIT ON CURRENT  
ACCOUNT WAS RECORDED IN FEB. OVERALL DEFICIT OF \$1.2  
BIL, HOWEVER, DOWN FROM PREVIOUS MONTH AS RESULT OF  
SMALLER NET OUTFLOWS OF LONG-TERM CAPITAL. ON  
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SEASONALLY ADJUSTED BASIS, BOTH TRADE AND CURRENT ACCOUNT

DEFICIT WORSENE SIGNIFICANTLY, WITH 24.0 PERCENT RISE  
OVER JAN IN SEASONALLY ADJUSTED IMPORTS AS MAJOR FACTOR.  
END SUMMARY.

1. IN FEB, TRADE BALANCE RECORDED EXCEPTIONALLY LARGE DEFICIT OF  
\$650 MIL COMPARED WITH DEFICIT OF \$784 MIL IN JAN. THIS PRIMARILY  
DUE TO SIGNIFICANTLY INCREASED PRICE OF CRUDE OIL IMPORTS. VALUE  
OF EXPORTS OF UNADJUSTED BASIS HOWEVER, ALSO ROSE. CURRENT  
ACCOUNT FOR FEB RECORDED HEAVY DEFICIT OF \$1,180 MIL. OUTFLOWS  
OF LONG-TERM CAPITAL ON OTHER HAND DECLINED \$314 MIL FROM JAN  
LEVEL TO ONLY \$490 MIL. AS RESULT, BASIC BALANCE REGISTERED  
DEFICIT OF \$1,670 MIL. SHORTTERM CAPITAL, INCLUDING ERRORS AND  
OMISSIONS. RECORDED SUBSTANTIAL INFLOW OF \$470 MIL. OVERALL  
DEFICIT OF \$1,200 MIL WAS FINANCED BY \$1,560 MIL IN NET INFLOW OF  
BANKING AND OTHER FUNDS WITH RESULT OFFICIAL NET ASSETS INCREASED  
BY \$360 MIL.

2. IMPORTS ROSE SHARPLY IN FEB, INCREASING 106 PERCENT  
FROM FEB 1973 (UNADJUSTED) TO \$4,010 MIL. ON SEASONALLY ADJUSTED  
BASIS, THEY WERE 24.0 PERCENT HIGHER THAN JAN AT \$4,366  
MIL. PRIMARY REASON FOR INCREASE WAS FACT THAT OIL IMPORT BILL  
REPRESENTED FOUR-FOLD INCREASE FROM FEB 1973. EXPORTS, HOWEVER,  
ALSO ROSE IN FEB TO \$3,360 MIL, UP 25.0 PERCENT FROM FEB 1973  
(UNADJUSTED). ON SEASONALLY ADJUSTED BASIS, FEB EXPORTS ONLY  
4.5 PERCENT HIGHER THAN JAN AT \$3,774 MIL. MOST OF IMPROVEMENT  
REPORTEDLY CONCENTRATED IN STEEL (UP 56 PERCENT FROM FEB 1973), AUTOS  
(UP 38 PERCENT FROM FEB 1973) AND MACHINERY (UP 19 PERCENT FROM  
FEB 1973). CONSEQUENTLY, TRADE BALANCE IN DEFICIT BY \$592 MIL  
(SEASONALLY ADJUSTED) COMPARED WITH JAN SURPLUS OF \$91 MIL  
(REVISED).

3. PROVISIONAL UNADJUSTED JAPANESE BALANCE OF PAYMENTS IN  
FEB IN MIL DOLLARS (FEB 73 DATA IN PAREN): OVERALL BALANCE MINUS  
1,200 (PLUS 894); EXPORTS 3,360 UP 25.2 PERCENT FROM 2,684);  
IMPORTS F.O.B. 4,010 (UP 106.0 PERCENT FROM 1,947); SERVICES AND  
TRANSFERS COMBINED MINUS 530 (MINUS 48); LONG-TERM CAPITAL MINUS  
490 (MINUS 654); SHORT-TERM NONMONETARY CAPITAL AND ERRORS AND  
OMISSIONS PLUS 470 (PLUS 859). RATE OF EXCHANGE USED FOR FEB WAS  
291.84 PER DOLLAR AND FOR JAN 297.52 PER DOLLAR.

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4. FINANCING OF OVERALL DEFICIT IN FEB (FEB 73 DATA IN  
PAREN) AS FOLLOWS: COMMERCIAL BANKS NET SHORT-TERM BORROWING  
ABROAD \$1,560 MIL (\$300 MIL); OFFICIAL ACCOUNTS INCREASE IN  
NEXT ASSETS \$360 MIL (\$1,194 MIL); PUBLISHED OFFICIAL SERVES UP  
\$334 MIL IN FEB TO \$11,900 MIL. GOLD AND FOREIGN EXCHANGE TOTALED  
\$10,764 MIL, GOLD TRANCHE \$623 MIL, AND SDR'S \$513 MIL.

5. CUSTOMARY DETAILS ON CUSTOMS EXPORTS TO BE REPORTED IN

SEPTTEL.  
SHOESMITH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
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**Disposition History:** n/a  
**Disposition Reason:**  
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